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ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF
BHUTAN

IPF:(1992-96) $27 920 000
(BHU/92/C03) - Permanent Works for Feeder Roads (Eastern Zone)

Date of approval by the AC:[1]	12 May 1992
Expected duration:	Three years
Proposed executing agency:	UNDP/OPS
Government implementing agency:	Department of Roads (Ministry of Communications)
Proposed UNCDF contribution:	$3 324 700 Source of funds: General Resources
Proposed UNDP contribution:	$135 000 Source of funds: IPF
WFP contribution:	$300 000
Government cost sharing:	$291 000

Project background

Given the mountainous character of Bhutan and a widely dispersed population, regional development depends critically on improvements of access by an expansion of the road system. The above-mentioned project is the follow-up of an earlier UNCDF, UNDP and AsDB supported programme (BHU/85/C02 and BHU/86/004) under which the Department of Lands was provided with equipment and know-how for road construction through increasingly mechanized means fostering its capacity to construct feeder roads. Under the specific terms of the UNCDF project the Department will have completed by 93 km, of feeder roads in the Eastern Zone, but not at a level of sustainability and permanence which is the aim of the present project.

The present project relates to the national objectives of Bhutan's Seventh Five-Year Plan (1992-1997), which gives priority to a more regional balanced development. On one hand it will ensure all year access to an area which thus far has been relatively deprived of access and services (but processing considerable agricultural potential); and on the other hand it will contribute to a consolidated and maintainable road network with provisions for system and capacity building in road maintenance.

Description of project

The project will consist of two components: (1) the rehabilitation of 52.8 km. of five sections of feeder roads by providing permanent road works and building protective structures necessary to get all-year-round access to an area of about 30,000 people living in seven villages; and (2) the development, system, capacity, training, testing in real circumstances preventive, routine and major maintenance. During the construction period the

[1] This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.

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maintenance will be carried out by a separate unit under the Eastern Feeder Road, which will by transferred to the Tashigang maintenance division at the end of the project.

The project activities will include: (i) permanent works and pavement works along 53 Km. of roads; (ii) formation cutting works, where required, by design standards; and (iii) specific maintenance and restoration works as required during the construction period. The standards corresponds to newly agreed upon standards for such road. Only some difficult passages are widened in order to ensure the security of the traffic.

As a continuation of the UNCDF project "Feeder roads in the Eastern Zone", all UNCDF equipment and equipment provided by the Government will be transferred to the new project.

As a result of the project, conditions will be created for the improved distribution and marketing of agricultural products and better access to public social services such as health and education for a population of 30,000 inhabitants. At the same time the Government will have developed and adapted a system of roads maintenance and the necessary basic skills to continue and replicate elsewhere in Bhutan.

Inputs

UNCDF will cover the following costs: (i) new equipment, vehicles, surveys, laboratories, office equipment and spare parts, through international bidding; (ii) fuel, lubricants and material for permanent works through UNDP Resident Representative; and (iii) the first 18-month subcontract for the Road Construction Manager (RCM).

UNDP will finance the second 18-month subcontract for the RCM and a 36-month subcontract for the UNV superintendent, specialized in training.

WFP will purchase locally-produced food to provide to workers under its food-for-work system for road stabilization works. It will also provide complementary technical assistance and training in environmental measures aimed at minimizing the detrimental effects of road construction.

The Government will finance both technical and administrative staff, including the National Project Director, as well as labor and material for production of base course for 38 km. and surveys, mapping and design activities.

Financial data

	UNCDF	UNDP	WFP
Mission Costs	160 000	-	-
Technical Assistance	75 000	135 000	50 000
Local Staff	40 000	-	-
Expendable Equipment	700 000	-	-
Non-expendable Equipment	975 000	-	-
Permanent Works	819 000	-	-
Sealing/resealing works	122 000	-	-
Transportation	70 000	-	-
Food	-	-	250 000
Contingencies	150 000	-	-
Programme Support	118 400	-	-
Agency Overhead	95 300	-	-
Total	3 324 700	135 000	300 000

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